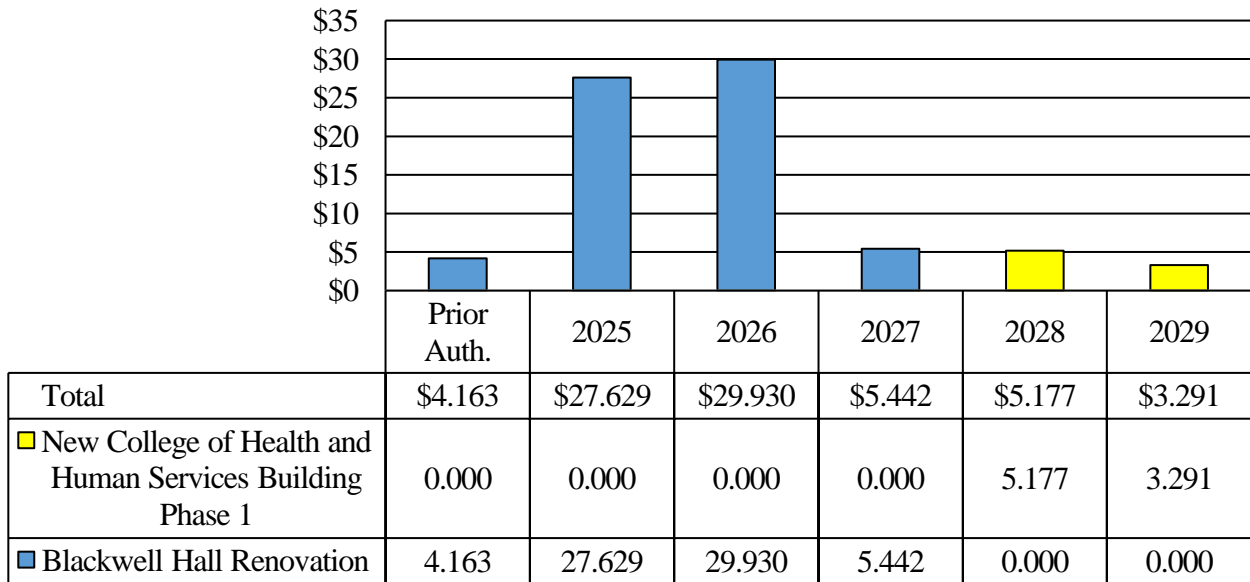


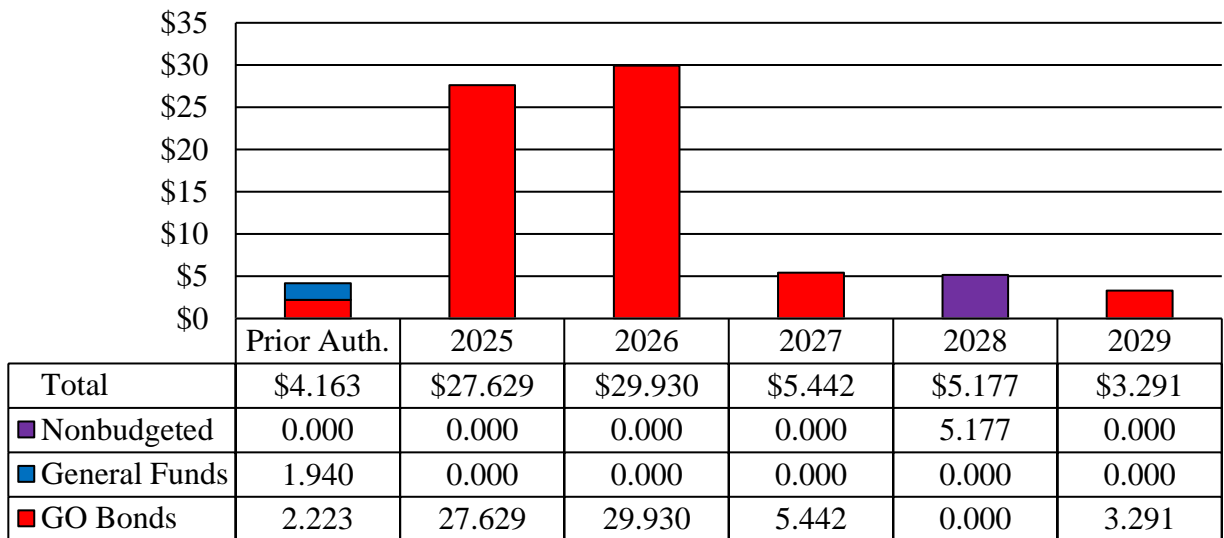
RB29
Salisbury University – Capital
University System of Maryland

Capital Budget Summary

State-owned Capital Improvement Program – Uses
(\$ in Millions)



State-owned Capital Improvement Program – Sources
(\$ in Millions)



GO: general obligation

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Key Observations

- Blackwell Hall Renovation Project:** Salisbury University (SU) is requesting to use institutional funds to accelerate the construction of the Blackwell Hall Renovation Project and to be reimbursed from the fiscal 2025 *Capital Improvement Program* (CIP) funding for the project.

GO Bond Recommended Actions

- Approve all general obligation bond authorizations and preauthorizations for Salisbury University.

Summary of Fiscal 2025 Funded State-owned Projects

Blackwell Hall Renovation

Project Summary: Renovate the former library and construct an addition to Blackwell Hall on the campus of SU. The former library will be renovated to become a student services center. Registrar, financial aid, academic advising, career services, bursar, admissions, counseling center, health center, and disabilities resource center services will be combined into one building to create a one-stop shop for student services. This will provide for better service while simultaneously freeing up space in other buildings that can be reallocated for much-needed classroom, laboratory, and study space. The project will also replace the outdated mechanical, plumbing, and electrical systems to bring the building up to current code; and the building will feature new elevators and restrooms. The fiscal 2025 budget includes funding to complete design and begin construction of this project.

New/Ongoing: (Ongoing)								
Start Date: February 2023					Est. Completion Date: August 2026			
Fund Sources:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
GO Bonds	\$2.223	\$27.629	\$29.930	\$5.442	\$0.000	\$0.000	\$0.000	\$65.224
GF	1.940	0.000	0.000	0.000	0.000	0.000	0.000	1.940
Total	\$4.163	\$27.629	\$29.930	\$5.442	\$0.000	\$0.000	\$0.000	\$67.164
Fund Uses:								
(\$ in Millions)	Prior Auth.	2025	2026	2027	2028	2029	Beyond CIP	Total
Planning	\$4.163	\$0.765	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$4.928
Construction	0.000	26.864	26.306	5.442	0.000	0.000	0.000	58.612
Equipment	0.000	0.000	3.624	0.000	0.000	0.000	0.000	3.624
Total	\$4.163	\$27.629	\$29.930	\$5.442	\$0.000	\$0.000	\$0.000	\$67.164

- **Need:** The student support services departments are spread across campus in an inefficient manner where it has become an inconvenience for students and their families. Combining all departments into one building with additional space to accommodate the growth of the university with meeting, reception, waiting, and storage area spaces is the goal.
- **Project Status and Schedule:** The program part I and II was approved on February 5, 2021. The design phase started in February 2023 and is expected to last 18 months. The construction phase is expected to commence August 2024 for a duration of 24 months, with completion in August 2026. The project is being implemented under a design build methodology; therefore, the expected design completion date and construction start date are in the same month.
- **Changes:** The project cost has increased substantially from what was programmed in the 2023 CIP. The \$67.2 million schematic design phase cost estimate from the architect is \$19.2 million higher than the previous estimate and contributes to the additional \$8.3 million budgeted for fiscal 2025 above what was programmed last session. Value engineering efforts totaling approximately \$4.2 million have been accepted by the university, but several factors contribute to the increased cost:
 - **Net-zero:** The additional cost to make the facility net-zero in compliance with the Climate Solutions Now Act of 2022 is between \$8 million to \$9 million including the cost to significantly upgrade the building envelope.
 - **Cost Escalation Rates:** Construction inflation, especially in the Eastern Shore, above the allowances included in the State’s cost estimation worksheets adds \$5.6 million.
- **Other Comments:** SU has requested to use approximately \$600,000 of institutional funds to accelerate the construction commencement date. Certain project elements including hazardous material abatement and demolition of select portions of the existing facility can be initiated in advance of the primary construction phase. SU asserts that this advancement will allow them to open the renovated student services building in time for the 2026-2027 academic year versus delaying the opening until the following year.

Summary of Out-year State-owned Projects

- **New College of Health and Human Services Building Phase 1:** Construct a new academic building on the SU main campus to house the School of Health Services, School of Nursing, School of Social Work, Center for Healthy Communities, and Medical Simulation Center. The project will consolidate academic departments dispersed across several different buildings and will allow the 55-year-old, outdated Devilbiss Hall to be demolished. Additionally, the proposed project will allow academic spaces in the Maggs

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Center to be renovated. The existing facilities have insufficient clinical space and need modern instructional space to meet accreditation requirements. The proposed new School of Health and Human Services building will include state-of-the-art health sciences laboratories and simulation spaces as well as general classrooms and faculty offices. The estimated cost of this project totals \$188.7 million. Initial design is programmed for fiscal 2028.

Appendix 1
Executive’s Operating Budget Impact Statement – State-owned Projects
Fiscal 2025-2029
(\$ in Millions)

	2025	2026	2027	2028	2029
Blackwell Hall Renovation					
Estimated Operating Cost	\$0.000	\$0.000	\$0.073	\$0.078	\$0.081
Estimated Staffing	0.00	0.00	0.45	0.45	0.45

The estimated net operating budget impact is \$73,000 in fiscal 2027, when the renovation is expected to be completed and increasing to \$81,000 in fiscal 2029, reflecting annualization of these costs.